



**Testimony in Support of Article 13, Section 5 and 6– Child Care
House Finance Committee
April 8, 2020**

The Economic Progress Institute supports the child care provisions included in Article 13 of the Governor's proposed budget that would invest \$6 million to increase reimbursement rates for center-based child care providers and would allow parents enrolled in higher education to access CCAP subsidies.

CCAP reimbursement rates

Beginning in 2007, the state made a number of changes that reduced its investment in CCAP. Soon after, Rhode Island began to spend only the amount required under federal law to draw down federal child care funds. The state was able to do this in part by freezing CCAP reimbursement rates paid to providers¹. As a result, families have struggled to afford child care and programs have struggled to break even on the costs of providing high quality care. While the cost of reliable and safe child care have always been expensive in Rhode Island, over the last year, expenses have increased exponentially due to COVID-19. As many child care providers will attest, the emergency reimbursement rates established in June 2020, which significantly increased payments to providers, have been critical in allowing programs to remain open, pay staff, and serve children most in need of stable early learning and care during these most turbulent times. Yet, once these emergency rates expire, providers will return to receiving reimbursement rates that are well below market-rate and what it costs to provide high quality and safe child care, especially as the pandemic continues. Permanently increasing the reimbursement rates, as outlined in Article 13, Section 6, is vital to helping providers make ends meet and restoring funds that were eliminated 14 years ago.

Furthermore, data highlights that failure to pay market rate- based reimbursements to providers has caused challenges in providing enriching learning opportunities for children and enrolling children who use CCAP subsidies in high quality programs. Concerningly, these challenges deprive children with low-incomes equal access to quality early education and limit their parents' work support options. Given the stark education and economic inequities that have been exacerbated by COVID-19, Rhode Island must take all the initiatives it can to increase access to education and jobs for low-incomes families. Increasing the reimbursement rates in statute as proposed in Article 13, Section 6 is one such minimum initiative.

CCAP subsidies for parents enrolled in post-secondary education

Under current law, parents can only access CCAP subsidies if they need child care in order to work or participate in short-term training. Parents who are enrolled in college cannot access

¹ The Economic Progress Institute, *The Uneven Path 2020: State Investments in Women's Economic Security*.

the CCAP program for the time that they are attending school. However, a report from the Urban Institute highlights that Rhode Island is one of only eleven states in the nation to have this law. Importantly, other New England states, including MA, NH, VT, and ME, allow parents to receive assistance while attending post-secondary education².

Currently, jobs requiring college degrees (Associate, Bachelor's, Master's or Doctoral) represent nearly thirty percent (29.6%) of the current occupational distribution in Rhode Island, which is higher than the national average. The Department of Labor Training (DLT) has projected jobs requiring college degrees to grow between now and 2028, with more than 135,000 openings for occupations that require at minimum an Associates degree³.

This DLT data, coupled with pre-pandemic research that evidenced the ways in which Rhode Island businesses were struggling to recruit and retain talented workers, underlines the need to increase access to higher education for all Rhode Islanders. For parents with young children who have low-incomes, current state policy renders them unable to access the education they need to upgrade work skills. Ultimately, by not allowing parents to receive child care assistance while attending school, Rhode Island is both harming individual growth and inhibiting the growth of talent pools that will be needed by 2028 to meet the demands of Rhode Island businesses.

We must support students who are parents so that they are able to prepare themselves for the jobs of tomorrow and support their families. Passing the pilot for parents to be eligible for CCAP while they are participating in higher education as described in Article 13, Section 5 is a place to start.

² Urban Institute, CCDF Policies Database, October 2019 Data

³ Department of Labor and Training, Rhode Island, 2028 Occupational Projections by Education.